

HERSETH SANDLIN INTRODUCES LEGISLATION TO ENCOURAGE INVESTMENT IN BIOFUELS PRODUCTION

Washington, DC (May 20, 2010)-Today, Congresswoman Herseth Sandlin announced the introduction of the Advanced Biofuel Investment Act of 2010. Representative Paul Hodes of New Hampshire is an original cosponsor of the legislation. The legislation will help to ensure the nation meets the ambitious advanced biofuels mandate of 21 billion gallons by 2022 set out in the Renewable Fuels Standard (RFS) enacted in 2007.

Rep. Herseth Sandlin said, "This new investment tax credit will help private industry realize the promise of advanced biofuels for making our nation energy independent through the production of clean-burning domestic biofuels, while also creating jobs in communities across the nation, including in many rural communities."

Jim Sturdevant, Director of POET'S Project Liberty said "Investors need to see firm policy support before they will back new technologies like those being developed by POET. Capital, along with market access, are the two greatest hurdles to large-scale cellulosic ethanol production. At POET, we envision 2.4 billion gallons of cellulosic ethanol by 2022 produced from the corn cobs, leaves and husks that are left in the field. If the Investment Tax Credit can help launch cellulosic projects like ours, the industry will displace significant amounts of foreign oil and create jobs in America."

The Advanced Biofuel Investment Act would create a new 30% Investment Tax Credit for investing in advanced biorefineries. This tax credit could be joined with the Cellulosic Production Tax Credit. The tax credit could be monetized through an existing federal Treasury grant program. In order to meet the RFS, a diverse array of eligible feedstocks is needed and this legislation would ensure the eligibility of biorefineries, or components of biorefineries, that utilize a wide range of feedstocks.

"Whether it's the corn cobs gathered from South Dakota fields or woody biomass collected in the Black Hills, South Dakota has an abundance of renewable biomass that would qualify under this Investment Tax Credit," Representative Herseth Sandlin said.

This investment tax credit would help companies raise the capital needed to build the first wave of commercial facilities necessary to achieve the goals of the RFS; incentivize private capital to more actively invest in the commercialization of the first wave of advanced biorefinery projects; create jobs in the construction, engineering and manufacturing sectors; and stimulate economic growth in rural communities across the country.

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